

Message Text

UNCLASSIFIED

PAGE 01 THE HA 03118 200623Z

15

ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-01

INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06 SP-02

CIEP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-04

CEA-01 L-03 H-02 PA-02 PRS-01 /101 W

----- 108925

R 191607Z JUN 75

FM AMEMBASSY THE HAGUE

TO SECSTATE WASHDC 6130

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

USMISSION OECD PARIS

UNCLAS THE HAGUE 3118

E.O. 11652: N/A

TAGS: EFIN, NL

SUBJ: GOVERNMENT 1975 BUDGET DEFICIT TO INCREASE TO
10 BILLION GUILDERS

1. ACCORDING TO GON'S "SPRING BUDGET MESSAGE" PUBLISHED
THIS WEEK, NETHERLANDS STATE BUDGET DEFICIT FOR 1975 IS
NOW ESTIMATED AT 10 BILLION GUILDERS, WHICH IS 5.4 BILLION
MORE THAN ANNOUNCED IN BUDGET PRESENTED TO PARLIAMENT
LAST FALL (SEE HAGUE 4604).

2. SPRING BUDGET SURVEY ATTRIBUTES INCREASED DEFICIT
TO DROP IN ANTICIPATED TAX RECEIPTS BY 2.4 BILLION
GUILDERS, RESULTING FROM COMBINED EFFECT OF CYCLICAL
MEASURES AND A DECLINE IN GROWTH OF NATIONAL INCOME
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 THE HA 03118 200623Z

RELATED TO GENERAL ECONOMIC DOWNTURN, AND INCREASE

OF GOVERNMENT EXPENDITURES BY 2.9 BILLION GULDERS IN CONNECTION WITH MEASURES TAKEN BY GON TO BOOST DUTCH ECONOMY (SEE HAGUE 5491.

3. TOTAL STATE BUDGET OUTLAYS IN 1975 ARE NOW ESTIMATED AT 65.8 BILLION AND RECEIPTS AT 55.8 BILLION (AS AGAINST SEPTEMBER BUDGET ESTIMATES OF 62.8 AND 58.2 BILLION GULDERS RESPECTIVELY).

4. AMOUNT OF BUDGET DEFICIT THAT WILL REQUIRE FINANCING THIS YEAR IS ESTIMATED AT 9.3 BILLION GULDERS, HALF OF WHICH HAS ALREADY BEEN SECURED THROUGH LOANS FROM GOVERNMENT PENSION FUNDS AND TWO TREASURY ISSUES RECENTLY PLACED IN OPEN MARKET. IT IS ANTICIPATED THAT REMAINDER WILL BE FINANCED THROUGH FURTHER ISSUES OF TREASURY PAPER.

5. COMMENT: SIZE OF BUDGET DEFICIT RAISES SERIOUS QUESTIONS CONCERNING GON'S ABILITY TO CONTINUE FINANCING AT PRESENT LEVELS THE PLETHORA OF SOCIAL PROGRAMS WHICH CHARACTERIZE THE DUTCH SOCIO-ECONOMIC FABRIC. AT TIME WHEN LITTLE, IF ANY, REALY ECONOMIC GROWTH IS ANTICIPATED FOR AT LEAST ONE YEAR, NUMEROUS OBSERVERS, INCLUDING OPPOSITION PARTIES, ARE STARTING TO RAISE QUESTIONS OF HOW GOVERNMENT PROPOSES TO MANAGE SITUATION IF, AS NOW APPEARS QUITE POSSIBLE, WHOPPING DEFICIT ALSO MATERIALIZES NEXT YEAR. EMBASSY WILL REPORT FURTHER ON THESE CONCERNS. GOULD

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: GOVERNMENT BUDGET
Control Number: n/a
Copy: SINGLE
Draft Date: 19 JUN 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975THEHA03118
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750215-0251
From: THE HAGUE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750633/aaaabdrp.tel
Line Count: 88
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: ShawDG
Review Comment: n/a
Review Content Flags:
Review Date: 28 FEB 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <28 FEB 2003 by PhilliR0>; APPROVED <09 MAR 2004 by ShawDG>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: GOVERNMENT 1975 BUDGET DEFICIT TO INCREASE TO 10 BILLION GUILDERS
TAGS: EFIN, NL
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006